GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3628
ANSWERED ON:18.04.2005
RETAIL PRICES OF MEDICINES
Mandal Shri Sanat Kumar

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government is aware of the fact that the retail prices of medicines are being labelled at higher prices than the cost of manufacturing and packaging and being sold to the consumer at higher prices; and

(b) if so, the steps taken to check such trend and to save the common man from exploitation?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS & iWWSTER OF (SHRI RAM ViLAS PASWAN)

(a) & (b): 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 {DPCO, 95) and the formulations based thereon are under price control and their prices are fixed/revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected.

A Committee under the Chairmanship of Joint Secretary (PI) was constituted to examine the span of price control (includinc; trade margin) in the light of National Common Minimum Programme and the observations of the Supreme Court in SLP NO, 3668/2003 and to suggest measures for fulfilling the objective of National Common Minimum Programme to ensure the availability of life saving drugs at reasonable prices. This Committee has submittad its interim report to the Government. The Committee has recommended, inter-alia, intensive monitoring on the prices of all those drugs out of the selected basket (National List of Essential Medicines, 2003) which are not under price control, ceilings on trade margins of drugs, a system of price negotiations for the new patented drugs, special schemes for people below poverty line, introduction of Rajasthan Model of Life Line Fluid Stores (hospital pharmacy stores run by Medicare Societies) for bulk purchase of drugs directly from manufacturer and selling them at reduced prices, compounding of offences under the Essential Commodities Act, establishment of DPCO cells in all States on the model of Karnataka etc., efforts to increase public awareness, wide publicity to policies and decisions of the Government and NPPA etc

A Task Force has also bean constituted under the Chairmanship of the Principal Adviser(PP), Planning Commission to explore various options other than price control for achieving the objective of making available iife saving drugs at reasonable prices.